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BEFORE THE  
DEPARTMENT OF TRANSPORTATION  
WASHINGTON, D.C.

DEPARTMENT OF TRANSPORTATION

96 OCT 24 PM 3:55

DOCKET SECTION

INTERNATIONAL AIR TRANSPORT ASSOCIATION: )

AGREEMENT RELATING TO )  
LIABILITY LIMITATIONS OF THE )  
WARSAW CONVENTION )

Docket OST-95-232 - 42

AIR TRANSPORT ASSOCIATION OF AMERICA: )

AGREEMENT RELATING TO )  
LIABILITY LIMITATIONS OF THE )  
WARSAW CONVENTION )

Docket OST-96-1607 - 12

JOINT COMMENTS OF LLOYD'S AVIATION UNDERWRITERS' ASSOCIATION  
AND  
AVIATION INSURANCE OFFICES ASSOCIATION

Communications with respect to  
this document should be sent to:

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Underwriters' Association and  
Aviation Insurance Offices  
Association

Dated: October 24, 1996

6 pgs.

BEFORE THE  
DEPARTMENT OF TRANSPORTATION  
WASHINGTON, D.C.

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| INTERNATIONAL AIR TRANSPORT ASSOCIATION: | ) |                    |
|  | ) |                    |
| AGREEMENT RELATING TO                    | ) | Docket OST-95-232  |
| LIABILITY LIMITATIONS OF THE             | ) |                    |
| WARSAW CONVENTION                        | ) |                    |
|  | ) |                    |
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| AIR TRANSPORT ASSOCIATION OF AMERICA:    | ) |                    |
|  | ) |                    |
| AGREEMENT RELATING TO                    | ) | Docket OST-96-1607 |
| LIABILITY LIMITATIONS OF THE             | ) |                    |
| WARSAW CONVENTION                        | ) |                    |
|  | ) |                    |
|  | ) |                    |

Lloyd's Aviation Underwriters' Association and Aviation Insurance Offices Association, Associations of aviation insurers based in London, England, respectfully submit the joint comments attached hereto with respect to the Order to Show Cause Issued by the Department of Transportation on 3 October 1996, Order 96-10-7.

Respectfully submitted,

By: 

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Dated: October 24, 1996

**LLOYD'S AVIATION  
UNDERWRITERS' ASSOCIATION**

**AVIATION INSURANCE  
OFFICES ASSOCIATION**

24 October 1996

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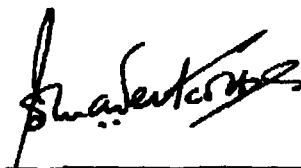
**Department of Transportation  
Docket OST-95-232  
Docket OST-96-1607  
Order to Show Cause 3rd October 1996**

You will certainly be aware that the statutes of both the above Associations prohibit any discussion or agreement on matters of rates or pricing of insurance products for the Aviation Industry. Nevertheless, certain assumptions expressed in your Show Cause Order were so clearly inaccurate that we presumed you would welcome a joint filing in order to give balance to any misconceptions.

It is the view of both London-based Associations that should the DOT require either

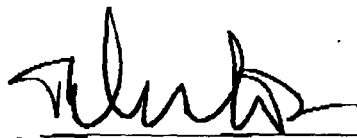
- 1) the first or subsequent carrier to or from the USA to assume liability for an entire journey including interlining,
- or 2) every passenger enplaned in the USA to be furnished with a Personal Accident policy for SDR's 500,000 valid 6-12 months

that it would be gross underestimation of the likely additional cost of insurance to use the description "relatively minimal". Please be advised that researches carried out and which are in the public domain, indicate that the basic IATA proposals are likely to produce considerably increased costs of claims against airlines in the future. The proposed amendments included in the Show Cause Order are likely to prove that this increase in costs of claims against the airlines, will be substantially greater, which inevitably must lead to increased insurance costs..



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**CERTIFICATE OF SERVICE**

I, George N. Tompkins, Jr., hereby certify that on this date the foregoing Joint Comments of Lloyd's Aviation Underwriters' Association and Aviation Insurance Offices Association, were served by first-class mail on the persons appearing on the attached service list.

  
George N. Tompkins, Jr.

Dated: October 24, 1996

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